

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO *et al.*,

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: PROMESA
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: Title III
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: Case No. 17-BK-3283 (LTS)
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:
: (Jointly Administered)

**This filing relates to
Docket No. 20495 and
Docket No. 20445**

Debtors.¹

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**RESPONSE OF ASOCIACIÓN DE MAESTROS DE PUERTO RICO AND ASOCIACIÓN
DE MAESTROS DE PUERTO RICO-LOCAL SINDICAL TO FOUR HUNDRED
THIRTY-SEVEN OMNIBUS OBJECTION (NON-SUBSTANTIVE) OF THE
COMMONWEALTH OF PUERTO RICO AND THE EMPLOYEES RETIREMENT
SYSTEM OF THE GOVERNMENT OF THE COMMONWEALTH OF PUERTO RICO
TO DUPLICATIVE CLAIMS (DOCKET NO. 20495)**

To the Honorable United States District Judge Laura Taylor Swain:

Asociación de Maestros Puerto Rico and the Asociación de Maestros de Puerto Rico-Local Sindical (collectively, “AMPR”), by and through their undersigned counsel, hereby submit this response (the “Response”) to the *Four Hundred Thirty-Seven Omnibus Objection (Non-Substantive)*

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474), and (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747).

of The Commonwealth of Puerto Rico and the Employees Retirement System [Docket No. 20495] (the “Objection”), filed by the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) as representative of the Commonwealth of Puerto Rico and the Employees Retirement System (collectively the “Commonwealth”), and in support thereof, respectfully state as follows:

1. On April 1, 2022, the Oversight Board filed the Objection subject of this Response seeking to disallow AMPR’s Proof of Claim Number 179730 (“AMPR’s Rejection Damages Claim”) asserting that the claims against the Commonwealth therein are “[l]iabilities asserted on *Claims to be Disallowed are duplicative of liabilities asserted on Remaining Claim.*” (See, Docket No. 20495-1 at p. 3 Item #14). They are not.

2. The Oversight Board Objection is confusing, however. As the Remaining Claim is designated in the Objection as Proof of Claim No. 179729 filed on February 16, 2022, but is clear that it refers to the *Union Master Proof of Claim* filed on June 27, 2018 by the *American Federation of Teachers* (“AFT”) on its behalf and on behalf of its affiliates AMPR and its members for the amount of \$22.3 billion, in accordance with the Bard Date Order. See, Proof of Claim No. 108230.² (See also, Docket No. 20495-1 at p. 3 Item #14).

3. The Oversight Board asserts that its objection is Non-Substantive, yet it attempts to expunge and disallow on the merits, outstanding claims in the amount of \$3.9 billion in the form of

² On April 25, 2022, AMPR contacted the Oversight Board by email to address this apparent confusion in the Objection, and if possible, avoid this motion practice. Unfortunately, the matter could not be resolved before the Response deadline. AMPR believes that the Oversight Board has erroneously designated in the Objection the *AFT’s Union Master Claim* for \$22.3 billion as Proof of Claim No. 179729, which AMPR filed on February 16, 2022, through CM/ECF of the U.S. Bankruptcy Court for the District of Puerto Rico under the PROMESA matters, as AMPR was experimenting technical issues with filing its Rejection Damages Claim through Prime Clerk (CM/ECF provided said claim with number 28030). On February 17, 2022, AMPR filed again the Rejection Damages Claim through Primer Clerk.

the Rejection Damages Claim that resulted from the rejection of the contractual pension obligation that the Teacher Retirement System had with over 26,000 TRS participants. The Oversight Board claims that said Rejection Damages Claim is duplicative to the claims of the Remaining Claim, which AMPR refutes. First, the claims in Proof of Claim No. 179729 are the direct result of breach of contract that occurred upon the Commonwealth's rejection of the pension obligations to teachers through the Plan of Adjustment. Claims that arose on the Effective Date of the Plan of Adjustment, not before. Secondly, the AFT and AMPR Master Union Claim also asserts claims separate and distinct to the pension obligations.

4. Moreover, the AMPR concedes that there are two identical Rejection Damages Claims filed. One on February 16, 2022 and another on February 17, 2022. AMPR has no objection to the disallowance of one of its two (2) filed Rejection Damages Claims, as duplicative.

5. However, said claim is not the one designated by the Oversight Board on its Objection and therefore, AMPR herein opposes the relief requested by the Oversight Board on its Objection and seeks that the Honorable Court denies such relief, as requested by the Oversight Board.

6. AMPR also has an objection to the Oversight Board's requested relief in what it titled as an Informative Motion (Docket No. 20445), as it seeks to expunge AFT and AMPR Union Master Proof of Claim (POC No. 108230), as fully treated by the Plan of Adjustment, when there are matters in the Union Master Proof of Claim which are outstanding still under the ACR Order or subject to the Commonwealth satisfying them as unsecured claims, either through the Convenience Class or otherwise, since the Bar Date Order specifically instructed teachers not to file a proof of claims for Union or Non-Union Employee Claims designated as "Compensation Claims" under the Bard Date

Order, hence the filing by AFT of the Union Master Proof of Claim on their behalf is the only evidence for such claims.

7. Lastly, the so called Informative Motion (Docket No. 20445), seeks to expunge AMPR's Rejection Damages Claims asserting is fully treated under the Plan of Adjustment, a position that AMPR refutes.

8. For the reasons stated above, AMPR respectfully request the Honorable Court to GRANT the present Response and consequently DENY the Oversight Board's *Four Hundred Thirty-Seven Omnibus Objection (Non-Substantive) of The Commonwealth of Puerto Rico and the Employees Retirement System* [Docket No. 20495] as to AMPR's Proof of Claim Number 179730 and 179729, as well as to any Proof of Claim filed by AFT and AMPR therein designated with any other remedy that is appropriate under the law and equity.

WHEREFORE, AMPR respectfully requests that this Honorable Court deny the Proposed Ruling and grant AMPR such other and further relief as this Court deems just and proper.

Dated: May 2, 2022

/s/ José Luis Barrios Ramos
José Luis Barrios-Ramos, ESQ.
USDC No. 223611
PRESTIGE LEGAL SERVICES, LLC
278 Ave. César González
San Juan, Puerto Rico 00918
Telephone: (787) 593-6641
jbarrios@prestigelegalpr.com

Counsel to Asociacion de Maestros de Puerto Rico and Asociacion de Maestros de Puerto Rico -Local Sindical

CERTIFICATE OF SERVICE

I hereby certify that on this 2th day of May 2022, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF System, which will notify all counsel of record of such filing to all CM/ECF participants in this case.

/s/ José Luis Barrios Ramos

José Luis Barrios Ramos